



"Abbey Vacation Rentals"
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10/21/2004 08:04 AM

To <Hawaii.PUC@hawaii.gov>
cc
bcc

Subject Carlyle's Group Purchase of Verizon Hawaii

Dear Sirs:

Much seems to be being argued by the Carlyle of how they are going to keep rates low for the foreseeable future. The first question they should have to answer is what is their investment plan for Hawaii's infrastructure, let us make sure we are agreement with that, and then would the rate plans be to support this investement.

Verizon has known since they purchased GTE that they wished to sell off the Hawaii Tel property, and knowing this declined to put the appropriate investment dollars into Telecom infrastructure here. This being the case, we need to update our information infrastructure, if our economy is going to grow and diversify to its full potential.

A good example of the cost our businesses and economy suffer due to this lack of investment are the Central Office Telephone Switches servicing many of our towns and city such as Kona, Hawaii. The Telephone switch servicing this high growth market is a GTD-5. This is a 1980's technology which was developed by GTE itself, and never deployed by any major Bell Operating Company such as NYNEX and Bell Atlantic (Verizon's origin companies). These companies all deployed state of the art Nortel Networks DMS-100s or the Lucent 5ESSs whose technologies, rather than the less functional GTE GTD-5.

For businesses on the mainland, when they need a fax line, they don't have to purchase an additional line for their offices. If their offices have sufficient phone lines already, the mainland central offices provide to the business DNIS (Directory Number Identification Service) which permits one of the existing business lines to route a fax call to the fax machine. In Hawaii, the antiquated GTD 5 Central Office technology which is no longer being enhanced with new features cannot provide this service. So from our smallest business to largest, must pay an additional \$50.00 per month per line to secure a dedicated fax line from Verizon.

This is just one example of the cost of Verizon not investing in our infrastructure. Presently, mainland Bell Operating Companies (Verizon for example) have awarded contracts for the replacement or evolution of the previously mentioned Nortel DMS-100 and Lucent 5 ESS technologies to Softswitches that can seamless address both Voice and Data (Voice over IP) while Carlyle talk about how low they are going to keep our rates. While rates are important, having a worldclass economy supported by 2nd world 1980s technology is not acceptable. With the whole mainland undertaking a widespread upgrade of thier Central office technologies to "Softswitches" by mainstream telecom vendors such as Siemens, Lucent or Nortel Networks over the next 5 year, it is important to understand what are Carlyle's plans for our network as part of their purchase of the Hawaii Telephone property.

We are already one generation of telephone technology behind the Mainland, Philipines, Japan, Korea, Singapore, Australia, Taiwan, Malaysia, Thailand and Hong Kong. We cannot permit Hawaii for our economy's competitive sake to fall further behind by continued lack of investment in our Telecom infrastructure. In addition to the mainland, all of our Asian neighbors

mentioned above are rolling out or have plans to deploy the next generation Telecom infrastructure to support VOIP voice and data integration to drive new services, and to reduce their network's cost structures.

Mahalo,

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